



A guide to people-centric performance management

How and why it will benefit
your business

Improve employee performance

Take a people-centric approach to performance management

Businesses perform better when employees are healthy, motivated and focused. People-centric performance management works with this in mind, placing the individual at the heart of the performance process, balancing performance, career development, motivation, and wellbeing – to see and understand the whole picture.

Companies need to enable their employees to be at the top of their game, but they can't do this with a blanket, one-size-fits-all approach to performance management.

Every employee is different: they value different things, they're at different stages of their lives, they have different strengths and weaknesses, and, crucially, what they want from their careers and personal development.

At OpenBlend we don't see this as a problem, but an advantage. Because when a business understands individual needs, strengths, and motivations and embeds this insight into 1:1s between managers and their team, it enables them to boost productivity and drive performance and development across the board.



OpenBlend encourages and gives permission for those chats that might not normally have happened. Importantly it's not just personal stuff that is being aired – people feel more ready to talk about pay; their job; their motivation; how they are “feeling” about their work, or the business.

Lucy King, Head of Talent & Performance
2,300+ employees

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What does people-centric mean?

Embracing a people-centric mindset involves truly grasping the unique needs of the individuals in your team —the key ingredients for unlocking their best performance, providing the support essential for their work and career development, and nurturing a happy workplace culture.

In today's world of work, professionals need support, empathy, and psychological safety as much as they do compensation, perks and the opportunity to develop in their careers. Focusing on the human aspect has become more important than ever to create a positive employee experience. People-centric means:

1. Seeing the human being behind the job title

We all need to ditch the idea of a work/life balance and start thinking about our work-life blend. We're not two different people, one at work and another at home. If we can recognise ourselves, our colleagues and our employees as a complete person, with a unique set of personal and professional challenges, aspirations and motivations, we can create an environment in which we are all enabled to be our best at work.

2. Tailoring management and development strategies to the individual, not the team

Similar to being customer-centric, to be a people-centric workplace you need managers who can tailor their approach to individuals, rather than operating a cookie-cutter set of expectations, frameworks and management methods. This can be tricky for managers to navigate, but with the right toolset and the right mindset, it is possible and will get results: increased productivity, engagement and wellbeing.

3. Having honest, open 1:1 conversations

We're not talking about water-cooler chat or using 1:1s for project or status updates. Being friendly, understanding and conversational is not the same as being people-centric. 1:1 conversations between managers and employees need to be honest, open, structured and accountable. The right questions need to be asked to prompt responses that go beneath the surface. This isn't always easy: some people are more forthcoming than others, but a people-centric approach enables these conversations for everyone.

83%

of global organisations are looking to create a more people-centric culture and...



81%

of global L&D departments are helping this to be achieved.

LinkedIn: 2023 Workplace Learning Report

81%

less absenteeism in companies with higher employee engagement, along with 14-18% more productivity

Gallup: Q12® Meta-Analysis



4. Creating actionable outcomes that drive development, rather than stall it

There's a difference between recognising individual needs and acting on them. Management conversations need to go beyond 'I hear you' to 'now what can we do to change this?' If an employee is struggling with an unmanageable workload, it's not enough to give advice and understanding. They need a series of actions to address the problem, whether that's helping them have the confidence to say 'no' or getting to the root cause of what's causing such a heavy workload in the first place. The shift from mere acknowledgment to proactive problem-solving is crucial in creating a people-centric workplace.

5. Getting the best out of every person, whatever their circumstances

Say you have a very talented team member, but work hours and/or location is making their role difficult. A

traditional business could say, 'well, that's the job'. The result is either a) the employee's performance declines or b) they take their talent elsewhere. A people-centric workplace would look at how the employee's needs could be met and what benefit it would bring to the business. Meaning that talent is then kept in the business, and not lost to a competitor.

6. Supporting managers and employees with coaching, training and the right tools to thrive

Managers cannot become people-centric without the right mindset or support from their business. They need coaching to have the right conversations and training to recognise effective next steps. They need the authority to make people-centric decisions and enable their teams to explore their work-life blend. And they need a structure that underpins this style of performance management and keeps 1:1 conversations, accountability and objectives on track.

The power of 1:1 conversations

Employee needs are intrinsically linked to effective performance management

Managers play a pivotal role in unlocking the full potential of their teams by understanding individual drivers, strengths, and motivators. This deeper understanding forms the foundation for meaningful 1:1 discussions that go beyond objectives. Shifting away from a tick-box approach to performance management, managers are empowered to adopt coaching-led actions, addressing key aspects like personal development, motivation, and wellbeing alongside performance reviews. This tailored approach is vital in promoting an environment where employees can truly perform at their best. Without this understanding of what drives and motivates their teams, they won't be able to engage in effective, meaningful, and regular 1:1s with their employees, and by and large the performance management process falls down.

Why is a people-centric approach to performance management revolutionary?

A people-centric shift in performance management lies in recognising the intricate connection between individual aspirations and the collective success of the organisation. Where managers and the organisation as a whole have a solid awareness and understanding of their employees' needs and drivers on an individual level, it represents a departure from a traditional, one-size-fits-all approach.

Through effective, regular and consistent 1:1 conversations across the board, actionable solutions are created that enhance the performance process business-wide. It ensures employees feel valued and heard but also provides clarity in objective setting, improving collaboration and relationships between managers and their direct reports. By placing employees at the heart of the performance process, 1:1 conversations become a powerful tool. The people-centric shift is revolutionary because it understands the unique contributions of each employee in driving organisational performance, connecting individual goals to both qualitative and quantitative business outcomes and thereby reshaping the landscape of effective performance management.

49% of employees say their manager understands their problems and needs.

Gartner: 2020 Well-Being Employee Survey



OpenBlend has allowed me to stay close to the pulse of my direct reports despite working remotely, I can see step changes in wellbeing and motivators, and understand if there is any fluctuation – therefore enabling me to support effectively. From a whole person at work perspective, I have been able to set and track actions together with my team members, facilitate 'on-track' objectives and make sure they feel comfortable in how they contribute to the bigger picture despite the changes in circumstance."

Adam Davies, Head of Performance
750+ employees

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Why is a people-centric approach necessary?

A people-centric approach to performance management provides tangible business outcomes that contribute to the continual success and growth of organisations:

It improves employee retention

Happy employees stay, unhappy ones leave. If employees don't feel valued or understood by their managers, they won't stick around for long. **75% of resigning employees cite bad management as a reason for leaving.** A people-centric approach supports businesses to connect their managers and their employees to create a culture of understanding, respect, and recognition that works both ways.

It encourages open and honest 1:1 conversation

People-centric performance management is all about great communication, but more importantly than that, it encourages your employees to talk openly and your managers to actively listen. Regular and structured 1:1s that focus on everything from weekly priorities and performance goals to key motivation drivers build trust between managers and employees, strengthen relationships, and facilitate a safe space where concerns and issues can be brought to light before they start to have an impact on performance.

It has a positive impact on employee engagement and experience

If employees feel genuinely valued and perceive that their unique needs and motivations are understood, they gain a clearer understanding of their role within a larger team. Improving this sense of belonging amplifies engagement and enriches their overall experience. When individuals are more inclined to actively support and collaborate with wider teams, it speeds up workflows and cultivates a better employee experience all round.

It promotes diversity and inclusion

By approaching performance management with a people-centric mindset that caters to individual

strengths, motivations, and needs, it helps to create an inclusive workplace culture. This environment provides a platform for diverse perspectives and ensures each team member's unique contributions are not only acknowledged but also valued and understood.

It develops better managers and equips them with the skills they need to become effective leaders

A people-centric approach encourages understanding and a more effective way of leading that connects with the unique needs of each team member. As managers delve into the intricacies of individual motivations and drivers, they not only strengthen their leadership capabilities but also develop their skills in empathy and adaptability, fostering a workplace culture that prioritises both individual and collective success.

Because happier employees' equal happier customers

Customer and employee satisfaction are two sides of the same coin and if building customer relationships is key for business, then so is employee happiness. When your employees feel happy, they will be better advocates for your business. With each fulfilled, balanced, happy employee, the benefits impact the quality of their work, their organisational contribution, and their overall performance.

It boosts employee productivity

When you understand your employees' motivational drivers, you will better gauge what they need to be productive and work at their best. Whether that's increased support, more training, flexible working arrangements or time for health and exercise.

5 key steps to guiding the process

Understanding the need to become a more people-centric workplace is the crucial first step to instigating change in how you approach performance management.

1

Self-assessment

Begin by evaluating your current performance and management strategies and identifying areas that require a more personalised approach. Delve into questions such as, "Where might we be falling short?" and "What aspects might we be overlooking in our current performance-based appraisals?" This introspective analysis lays the groundwork to get the dialogue started.

2

Cultivate a mindset shift

Encourage leaders and managers to adopt a mindset that values the unique strengths, motivations, and challenges of each team member. This change in approach encourages a deeper understanding of individual dynamics, promoting a more inclusive and empathetic management style.

3

Invest in training and development

Equip managers with essential skills through targeted coaching sessions on effective communication, enabling them to tailor their approach to managing employee performance, including consideration of often overlooked elements like stress and wellbeing. Training may involve refining active listening skills and conducting mock performance 1:1s to enhance their ability to recognise and address unique needs and circumstances.

4

Look to HR tech

Tools such as OpenBlend embed a people-centric approach at all stages of the performance management process, playing a central role in facilitating structured 1:1 conversations between managers and team members. Providing an effective framework for seamlessly integrating individual needs, objectives, wellbeing, and motivation with performance objectives, recognition, reviews, feedback, and career progression within the performance management process.

5

Foster a culture of open, honest communication

Very rarely are people taught how to have and hold effective, honest conversations. Yet for a happy and trusting workplace, these skills are vital. Creating an environment that encourages open and honest dialogue between managers and employees and establishing regular channels for feedback and constructive performance discussion is key. OpenBlend's conversation funnel is a framework that moves managers and employees through effective conversations in a structured way, creating tangible results and better relationships. The funnel helps managers and employees to prepare for and organise 1:1s, guided by a coaching principles that drive forward action.



The principles of performance management align the success of employees with that of an organisation, maximising the value they create. However, it's no longer sufficient to simply tie organisational objectives to individual goals; understanding what each individual needs to perform at their best requires a people-centric approach.

Recognising the need for change is a powerful step toward facilitating change. Discover how great 1:1 conversations drive great performance.

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